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COMPARISON OF SAMPLE CLAUSES FOR CONTRACTS FOR
THE SUPPLY OF AGRICULTURAL MACHINERY *

Prepared by

Ruth Fitz Gerald
UNIDO Consultant

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The purpose of this document is to draw together the various types and versions of the clauses contained in drafts and precedents of the contract under consideration. It is essentially a research document, drawing on existing material and not seeking to furnish any new ideas on the possible approaches to issues in contractual relations.

The headings of the contract clauses dealt with in this document appear in the middle column of the "Contents" on the next page. The clause numbers are given in the right hand column. Reference is then made in the left hand column to the "Status" of the clauses considered. The letters "N", "R" and "O" stand for "Necessary", "Recommended" and "Optional" respectively. This classification indicates the degree of importance attached to the inclusion in the contract of a clause dealing with the issue raised in the corresponding clause heading. Thus, it is felt, a clause whose heading is assigned the status "Necessary" should appear in some form in the contract, even if it is not included in terms of any of the examples provided in this document.

On the page following the "Contents" there is an example of the preamble sometimes included in contracts. The recitals contained in a preamble serve to describe, if very briefly, the setting and conditions in which the agreement between the parties has been concluded. Under legal systems which take preambles into account, these can be of assistance in interpreting the clauses of contracts should a dispute later arise. Some legal systems, however, ignore the recitals contained in the preamble to a contract.

The major part of this document is given over to samples of the clauses which can be included in the contract under consideration. The examples appear in tabulated form. In some instances only one example is given of the possible terms of a clause dealing with the issue raised in the clause heading (left hand column of the table), in others two or three examples are provided. The fifth column, headed "Additions", contains extra material which supplements rather than replaces the examples given of a particular clause. The last column of the tables indicates, in abbreviated form, the sources from which the examples and additions have been generally drawn. The sources referred to above are set out in full in the last page of this document.

As recommended by the Second Consultation on the Agricultural Machinery Industry, the sources drawn from include the documentation considered by that Consultation, the views expressed on it, other relevant national and international material, the views of the participants in the Consultation and other interested parties and the experience gained by the Secretariat in work on contractual agreements.

HEADINGS	EXAMPLE I	EXAMPLE II
DEFINITIONS R	1. For the purposes of this contract the following terms shall be interpreted thus: - "<u>conformity</u>" - the presence in the products of all the conditions of quality, fitness and merchantability and compliance with the specifications as warranted at Clause 12 of this contract. - "<u>contract</u>" - this agreement including all the appendices and attachments hereto and all documents referred to in this contract. - "<u>products</u>" - all the equipment, machinery, accessories and/or other materials which the supplier is required to supply to the purchaser under this contract. A detailed list of the elements described as "products" appears in Annex -- of this contract. - "<u>specifications</u>" - the standards, performance indicators and output/productivity figures of the products particularized in Annex -- of this contract. The said term "specifications" also refers to the descriptions of the products, their characteristics, quality and performance capacity stated by the supplier.	
SUBSTANTIVE TRANSACTION N	2. Subject to the terms of this contract, the supplier will sell and deliver to the purchaser the products the subject matter of this contract in consideration the payment by the purchaser of the purchase prices of the products as specified in Annex -- of this contract.	Subject to the terms of this contract the supplier will sell and deliver to the purchaser the products the subject matter of this contract and will provide the purchaser with technical assistance to enable the purchaser to maintain and repair the said products in consideration of the payment by the purchaser of the purchase prices of the products as specified in Annex -- of this contract.
INSPECTIONS AND TESTS N	3.1. The purchaser or his representative shall have the right to inspect and/or test the products to confirm their conformity to the contract specifications. The purchaser shall notify the supplier in writing of the inspections and tests the purchaser requires, where they are to be conducted and the identity of any representatives retained for these purposes. 2. The inspections and test may be conducted on the premises of the supplier, on the point of delivery and/or at the products' final destination. Where they are conducted on the premises of - the supplier all reasonable facilities and assistance - including access to drawings and production data - shall be furnished to the	

EXAMPLE III	ADDITIONS	SOURCE
		Ex I 1. ID/WG.400/2 + ADB/I-ADB/WB
		Ex II 2. ID/WG.400/2
		Ex I 3. ADB/I-ADB/WB
	3.2. Further, should the purchaser so require, the supplier shall have performance and quality tests carried out at a specialized testing centre of world-wide reputation and the said inspection and tests will be at the supplier's cost and expense.	Add. 3.2 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II
PACKING R	inspectors at no charge to the purchaser. 3. Should any inspected or tested goods fail to conform to the specifications the purchaser may reject them and the supplier shall either replace the rejected goods or make the alterations necessary to meet the specification requirements free of cost to the purchaser. 4. The purchaser's right to inspect, test and, where necessary, reject the products after the products' arrival in the purchaser's country shall in no way be limited or waived by reason of the products having previously been inspected, tested and passed by the purchaser or his representative prior to the products' shipment from the country of origin. 5. Nothing in this Clause shall in any way release the supplier from any warranties or any other obligations under this contract.	1. The supplier shall pack the products in accordance with his standard conditions of sale. The cost of any additional packing required will be borne by the purchaser. The purchase price of the products quoted in this contract include only such packing as is indicated in the supplier's standard conditions of sale. 2. The requirements of the packing of the goods will be decided by the supplier and the purchaser jointly. 3. The instructions, if any, of precautions to be taken in the handling of the packed products and the markings within and outside the packages will be in an international language. 4. Once the source of any damage caused to the products by reason of any fault in the material or design of the packing, the markings or instructions, has been identified, the parties will negotiate a settlement of the purchaser's claim in respect of such damage.
	4.1. The prices quoted in the contract include the cost of packing. 2. The supplier shall pack the products in the manner required to prevent their damage or deterioration during transit to their final destination as indicated in this contract. The packing shall be sufficient to withstand, without limitations, rough handling, exposure to extreme temperatures, salt and precipitation, open storage during transit and the possibility that the products will be stored for a lengthy period at their port of unloading. 3. The markings within and outside the packages and the instructions, if any, of the packed products must be indicated by diagrams and accompanied by instructions in the purchaser's language. 4. The supplier will be liable for any damage caused to the products by reason of any fault in the materials or design of the packing, marking or instructions.	

EXAMPLE III

ADDITIONS

SOURCE

Ex I 4
ADB/I-ADB/WE
+ ID/WG.400/2

Ex II 4
YDE Co.Ltd.,
Japan

HEADINGS	EXAMPLE I	EXAMPLE II
ASSEMBLY N	5.1. The products are sold in their assembled, operational form. Thus, if the products are dispatched in a knocked down form the supplier shall, at his own cost and expense, assemble the products to enable their delivery in an assembled operational form. 2. Should the purchaser make available and the supplier accept personnel or equipment recruited by the purchaser, the supplier shall in all respects, save as hereafter provided, stand as employer and hirer of the said personnel and equipment. 3. The purchaser shall be liable for the payment of the said personnel and for the said equipment, but the supplier shall credit the purchaser with the cost of employment of the personnel and equipment against the purchase price of the products.	
TECHNICAL DOCUMENTATION AND TOOL KITS R	6.1. The supplier will ensure that each product is accompanied by a free copy of the descriptive and instruction manuals necessary for its operation, by an inspection report and, where appropriate, by a copy of the technical data sheet and/or performance sheet relating to the product in the purchaser's language. 2. The supplier will also provide, free of charge, a tool kit containing such implements and tools as are necessary for the proper operation, maintenance and repair of each product.	1. The supplier shall furnish free of charge to the purchaser at the commencement of the guarantee period, information and drawings, other than manufacturing drawings, of the products, in sufficient detail to enable the purchaser to carry out the operation, maintenance and repair of all parts of the products. Such information and drawings will be in the language and shall be the property of the purchaser. 2. The supplier will also furnish with each product a tool kit containing such implements and tools as are agreed between the parties to be necessary to enable the proper operation, maintenance and repair of the products.
DISPATCH, TRANSPORT AND DELIVERY N	7.1. The supplier will deliver the products in accordance with the delivery schedule particularized in Annex . . of this contract. 2. At least . . . days before the date set for the delivery of any consignment of products the supplier shall confirm in writing to the purchaser the quantities of products to be delivered, their packed size and weight and the proposed method of transport and details thereof. 3. Delivery of the products shall be made either FOB, CIF, etc. as may from time to time be agreed between the parties.	3. Delivery of the products shall be made FOB (or CIF etc.).

EXAMPLE III	ADDITIONS	SOURCE
		Ex I 5 ID/WG.400/2
		Ex I 6 ID/WG.400/2 + ADB/I-ADB/WB
		Ex II 6 ECE/574, YDE Co.Ltd., Japan + Nether- lands
		Ex I 7.1, 2, 3 ID/WG.400/2
		Ex II 7.3,4.5 ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
	4. The provisions regarding transport, the payment therefor, delivery and insurance laid down in INCOTERMS will apply to this Clause. Where the supplier is required to affect delivery under terms not dealt with in INCOTERMS, the supplier shall be required to meet all transport, storage and insurance expenses until delivery.	4. Where the supplier is required to deliver the products FOB, transport of the products until delivery, that is, upto and including the point of putting the products on board the export conveyance at the specified port of loading, shall be arranged and paid for by the supplier, and the cost thereof shall be included in the contract price. (Where the supplier is required to deliver the products CIF, transport of the products to the port of discharge or such other point in the country of destination as shall be specified in the contract shall be arranged and paid for by the supplier and the cost thereof shall be included in the contract price. ETC). 5. All the products shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery. The insurance shall be in an amount equal to 110% of the CIF value of the products from "warehouse to warehouse" on "all risks" basis, including war risks and strike clauses. Where delivery of the products is required on a FOB basis - the supplier shall arrange and pay marine insurance. (Where delivery of the products is required on a CIF basis, the supplier shall arrange and pay for marine insurance naming the purchaser as the beneficiary. ETC). 6. In the case of FOB contracts, delivery shall be deemed to have been made when the products have been put on board the export conveyance at the specified port of loading and the invoices together with all such other documentation as is specified hereafter have been furnished to the purchaser. (In the case of CIF contract, delivery shall be deemed to have been made when a clean bill of lading together with the documentation specified hereafter have been furnished to the purchaser ETC).
	6. Delivery of the products will not be deemed unless and until all the necessary documentation relating to them and their transport has been received by the purchaser. Should the products arrive in port when the said documentation has not been received by the purchaser, the supplier will be responsible for any consequent loss.	

EXAMPLE III	ADDITIONS	SOURCE
4. The supplier will arrange for and bear all the costs and expenses of the transport of the products from his factory to the deemed delivery of the products.		Ex I 7.4 YDE Co.Ltd., Japan EX III 7.4 ID/WG.400/2
5. The supplier shall arrange and pay for the insurance of the products to the point of their deemed delivery and, if necessary, will name the purchaser the beneficiary of the policy. The products will be insured in a freely convertible currency against loss and damage incidental to manufacture or acquisition, transportation, storage and delivery. The insurance shall be in an amount equal to 110% of the CIF value of the products from "warehouse to warehouse" on "all risks" basis, including war risks and strike clauses.		EX III 7.5 ID/WG.400/2
6. The products will be deemed delivered on their provisional acceptance by the purchaser as hereinafter set forth.		Ex I + II 7.6 ADB/I-ADB/WB EX III 7.6 ECE/730

HEADINGS	EXAMPLE I	EXAMPLE II
DELAYS IN DELIVERIES N	8.1. Should the supplier fail to make delivery of the products within the time fixed therefor there shall be granted to the supplier an extension of the delivery period of ... days. 2. If the supplier fails to deliver the products within the fixed time for delivery or within the extension there- of mentioned at subparagraph 1 of this Clause, the purchaser shall be entitled upon giving to the supplier within a reasonable time notice in writing, to claim a reduction of the price payable under the contract, unless it can be reasonably concluded from the circum- stances of the particular case that the purchaser has suffered no loss. Such a reduction shall equal.. % of the part of the price payable under the contract	7. Subject to Clause 10 the pro- ducts shall remain at the risk of the supplier until delivery has been com- pleted. <u>Specified documents</u> (a) Copies of the supplier's invoice showing the products' description, quantity, unit price, total amount; (b) Original and ... copies of the negotiable, clean, on board bill of lading marked freight pre-paid and ... copies of non-negotiable bill of lading; (c) Copies of packing list identi- fying the contents of each package; (d) Insurance certificate; (e) Inspection certificate and the supplier's factory inspection report; (f) And, certificate of origin. The above documents shall be received by the purchaser at least one week before the arrival of the products at the port and, if not received, the supplier will be responsible for any consequent loss. 2. If the supplier fails to make de- livery within the said period of grace then, the said delay in the perfor- mance of the supplier's delivery obli- gations will render the supplier liable to the following sanctions: - the imposition of liquidated damages; - termination of the contract for default (and - if applicable - for- feiture of its performance security).

EXAMPLE III	ADDITIONS	SOURCE
7. Notwithstanding any deemed or customary delivery or transfer of ownership the products shall remain at the risk of the supplier until provisional acceptance as hereinafter set forth has been made by the purchaser.		Ex II 7.7 ADB/I-ADB/WB Ex III 7.7 ID/WG.400/2
2. Should the supplier fail to deliver the products after the period of grace mentioned has expired, the purchaser shall be entitled to terminate the contract by notice in writing to the supplier, both in respect of all the products undelivered and in respect of goods which, though delivered, cannot be properly used without the undelivered goods. Where the purchaser so terminates the contract he shall be entitled to recover any payment which he has made both in respect of all the products undelivered and in respect of the products which,		Ex I 8 ECE/574 Ex II 8 ADB/I-ADB/WB + ID/WG.400/2 Ex III 8 ECE/730

HEADINGS	EXAMPLE I	EXAMPLE II
	which is property attributable to each part of the products as cannot, in consequence of the said failure, be put to the use intended for each complete week of delay commencing on the due date of delivery, but shall not exceed the maximum of -- % of the purchase price attributable to the products so delayed. 3. Such a reduction shall be allowed when a payment becomes due or after delivery. Save as provided in subparagraph 4 of this clause such a reduction shall be to the exclusion of any other remedy of the purchaser in respect of the supplier's failure to deliver as aforesaid. 4. If any portion of the products in respect of which the purchaser has become entitled to the maximum reduction provided by subparagraph 3 of this clause or in respect of which he would have been entitled had he given the notice referred to therein, remains undelivered, the purchaser may by notice in writing to the supplier, require him to deliver and by such last mentioned notice fix a final time for delivery which shall be reasonable taking into account such delay as has already occurred. If for any reason whatever, the supplier fails within such time to do everything that he must do to effect delivery, the purchaser shall be entitled by notice in writing to the supplier to terminate the contract in respect of such portion of the products. 5. The purchaser shall, upon such termination, be entitled to receive from the supplier any loss suffered by the purchaser by reason of the failure of the supplier aforesaid up to an amount not exceeding that part of the price payable under the contract which is properly attributable to such portion of the products, as could not, in consequence of the supplier's failure, be put to the use intended.	3. If, at the end of the period of grace mentioned, the supplier has not observed his delivery obligations then the supplier will pay to the purchaser a sum equal to... % of the CIF value of the delayed products for each week or part of a week, commencing from the date upon which delivery was due and disregarding the period of grace, during which the delay continues provided that the total of such liquidated damages does not exceed... % of the CIF value of the delayed products. 4. Once the maximum for liquidated damages has been reached, the purchaser may consider terminating the contract. 5. Sums due from the supplier to the purchaser will be paid in the currency of the contract into the account designated by the purchaser or, alternatively, shall be withheld by the purchaser out of any sums due by him to the supplier.
DELAYS IN THE PURCHASER'S ACCEPTANCE OF DELIVERY 0	9.1. Should a delay in delivery be caused by an act or omission of the purchaser and whether such cause occur before or after the time or the extended time for delivery there shall be granted, subject to subparagraph 4 of Clause 8, such extension of the delivery period as is reasonable having regard to all the circumstances of the case.	

EXAMPLE III

ADDITIONS

SOURCE

although delivered, cannot be properly used without the undelivered products, to reject the products delivered which are unusable and to recover any expenses properly incurred in performing the contract.

3. The remedy described at subparagraph 2 of this Clause shall be to the exclusion of any other remedy for delay in delivery by the supplier.

Ex I 9
ECE/730

HEADINGS	EXAMPLE I	EXAMPLE II
VERIFICATION OF APPARENT CONFORMITY (see also "INSPECTIONS AND TESTS" Ex 11.) R	2. If the purchaser fails to accept delivery on the due date he shall nevertheless make payment conditional upon delivery as if the products had been delivered. The supplier shall arrange for the storage of the products at the cost and risk of the purchaser provided that if the supplier is in a position to store the products in his premises without prejudice to his business, the cost of storing the products will not be borne by the purchaser. 3. The supplier may require the purchaser by notice in writing to accept delivery within a reasonable time. Should the purchaser fail to do so within such a time, the supplier shall be entitled by notice in writing to the purchaser to terminate the contract in respect of such portion of the products as is by reason of the failure aforesaid not delivered and thereupon to recover from the purchaser any loss suffered by reason of such failure up to an amount equal to that part of the price payable under the contract which is properly attributable to such a portion of the products. 10.1. If the products appear to conform with the conditions and warranties of this contract, the purchaser will provisionally accept the products on their arrival at the purchaser's depot or, should the purchaser so stipulate, on their arrival on the wharves in the port of unloading. 2. A representative of the supplier and of the purchaser will inspect the products and, if such is the case, will verify their apparent conformity. The findings of such an inspection will be recorded on the statement of provisional acceptance. 3. The sole purpose of the inspection and statement of provisional acceptance is to enable verification to be made of the apparent conformity of the products. A provisional acceptance and verification of conformity will not prejudice or deprive the purchaser of any of the remedies afforded to him under this contract.	1. During a period of -- weeks (days) from the date of delivery of the products the purchaser shall be entitled to reject goods which do not conform with this contract (excepting any defect caused after the passage of risk) provided that before the purchaser can exercise his right of rejection, the supplier shall have an opportunity to make good any default at his expense within a reasonable period. 2. The purchaser's right of rejection shall also apply to products which, although delivered and accepted, cannot be properly used without the products mentioned at subparagraph 1 of this Clause. 3. The supplier shall be entitled to have rejected products returned to him at his risk and expense.

EXAMPLE III

ADDITIO.S

SOURCE

Ex 1,10.1,2,3,4,
ID/WG.400/2^{5,6}
Ex II 10.
ECE/730

HEADINGS	EXAMPLE I	EXAMPLE II
	4. Should any or all of the products appear not to conform with the conditions and warranties of this contract, they shall not be provisionally accepted by the purchaser with the consequences, inter alia, that no delivery of the products will be deemed, no transfer of ownership or risk to the purchaser shall occur and the terms (if any) regarding liquidated damages payable to the purchaser on the supplier's delay in delivery will apply. The purchaser will notify the supplier in writing of any lack of apparent conformity and will state his objections to the products. 5. If, within a period of . . . from the date of notification of non-conformity to the supplier the latter has not remedied the defects in the products, he shall pay to the purchaser immobilization costs by way of liquidated damages equal to . . % of the price of the products thus immobilized for every week or fraction of a week of immobilization commencing on the date the supplier was notified of the lack of conformity. These liquidated damages for immobilization will replace the liquidated damages payable to the purchaser on the supplier's delay in delivery once they become applicable but will be in addition to such earlier liquidated damages for delay. 6. If lack of conformity is not established either on provisional acceptance or during the period between provisional and final acceptance, final acceptance will be deemed to have occurred at the end of the guarantee period for each product as hereafter described. 7. In respect of products whose lack of conformity is established either on the inspection for verification of apparent conformity or before the expiry of the guarantee period, final acceptance will be deemed to have occurred when a period equal to the guarantee period has run from the last occasion upon which the purchaser has invoked the guarantee and the supplier has repaired or replaced the products or part of the products.	

EXAMPLE III

ADDITIONS

SOURCE

Ex I 10.7
Netherlands

HEADINGS	EXAMPLE I	EXAMPLE II
PRICES AND PAYMENT N	8. The supplier shall pay all the expenses and costs (including duties, taxes, ~~demurrage~~ charges and transport costs) arising by reason of the lack of conformity of the products. 9. The purchaser's right of rejection provided under this Clause shall also apply to products which, although delivered and accepted, cannot be properly used without the products mentioned at subparagraph 4 of this Clause.	1. The products shall be sold to the purchaser at the prices specified in Annex ... of this contract. 2. Payment shall be made by the purchaser in the manner and at the time or times specified in Annex ... of this contract. 3. A payment conditional on fulfillment by the supplier shall not be due until such an obligation has been fulfilled, unless the failure of the supplier is due to an act or omission of the purchaser. 4. If the purchaser delays in making any payment and the delay is not due to an act or omission of the supplier, the supplier may: (a) postpone the fulfillment of his own obligations, until such payment is made; and (b) recover, after written notice sent in good time to the purchaser, interest on the sum due, at the rate of ... (%) per annum for each week or a part of a week in which the said payment remains outstanding.
	11.1. The products shall be sold to the purchaser at the prices specified in Annex ... of this contract. Payment shall be made by the purchaser in the manner and in the currencies specified in the said Annex ... of this contract. 2. The supplier shall request payments from the purchaser in accordance with the schedule appearing in the said Annex ... of this contract. The said requests for payment will be made on the fulfillment by the supplier of his obligations under this contract. The said requests for payment will be accompanied by an invoice describing, as appropriate, the products delivered, and by shipping documents submitted in accordance with Clause 7 of this contract (Dispatch, Transport and Delivery). 3. Payments shall be made promptly by the purchaser within ... days of the submission of an invoice/claim by the supplier made in accordance with subparagraph 2 of this Clause.	

EXAMPLE III	ADDITIONS	SOURCE
		EX I. 10.8.9 ID/AG. 400/2 Add.10. ID/WG.400/2 Should the total of the products in which lack of conformity has been established at any time represent - - % of the products delivered to the purchaser by the supplier, the purchaser will be entitled to terminate the contract upon notice to the supplier. Should the purchaser effect such a termination, the supplier will take back all the products which do not conform with this contract, and will repay the prices paid therefor to the purchaser. The relief provided by this clause is without prejudice to any damages or other relief, to which the purchaser is entitled, whether under this contract or otherwise. Ex I 11 ADB/I-ADB/WB + ID/WG.400/2 Ex II 11 ECE/574 + ECE/730

HEADINGS	EXAMPLE I	EXAMPLE II
WARRANTIES N	12.1. The supplier warrants that the products: (a) are new, unused, of the most recent or current models and incorporate all recent improvements in design and materials save to the extent specifically provided in this contract.	5. Where at the end of - - - weeks from the date upon which a delayed payment was due the purchaser shall have still failed to pay the sum, the supplier shall be entitled by notice in writing, and to the exclusion of any other remedy against the purchaser by reason of the latter's delay, to terminate the contract, without prejudice to his right to recover any payment due in respect of delivered products and all expenses properly incurred by the supplier in performing the contract.

EXAMPLE III	ADDITIONS	SOURCE
	Any advance payments made by the purchaser are payments on account and do not constitute a deposit, the abandonment of which would entitle either party to terminate the contract. If delivery has been made before payment of the whole sum payable under this contract (or, where appropriate, before payment of the purchase prices for products from time to time delivered), products delivered (and unpaid for) shall to the extent permitted by the law of the purchaser's country, remain the property of the supplier until such payment has been effected. If the law of the purchaser's country does not permit the supplier to retain the property in the products, the supplier shall be entitled to the benefit of such other rights in respect thereof as such law permits him to retain. The purchaser shall give the supplier every assistance in taking any measures required to protect the supplier's right of property or such other rights as aforesaid.	Add. ECE/S74 Ex I 12.1.a ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
	(b) have no defect arising from the design, workmanship or materials or from any act or omission of the supplier that may develop under normal use of the supplied products in the conditions obtaining in the purchaser's country. (c) are fit for the purposes for which products of the same description would ordinarily be used in the conditions obtaining in the purchaser's country. (d) are fit for the particular purposes and in the conditions expressly or impliedly made known by the purchaser to the supplier. (e) possess the qualities of products which the supplier has held out to the purchaser as samples or models. (f) are of a standard and quality fit for the purpose or purposes for which products of the kind sold and delivered under this contract are commonly bought as is reasonable to expect, having regard to the prices, descriptions and all other relevant circumstances. (g) conform with the specifications. (h) are free from any right or claim of a third party. 2.(a) The supplier further warrants that the products will conform with the standards and rules following from the laws and regulations of the purchaser's country that are in force at the time when each consignment of products leaves the factory. (b) It shall be the duty of the purchaser to inform the supplier of any changes in the said rules and standards as soon as they occur.	Option to 12.1. c+d This contract is conditional upon the supplier, after examining the soil and conditions (including climatic ones) prevailing in the purchaser's country and carrying out any adaptations he thinks necessary to the products, conducting trials with samples of the products, the results of which must attain the standards and descriptions of performance and capacity detailed in the specifications. 2. The products supplied under this contract from time to time shall conform to the standards mentioned in the specifications and, where no applicable standard is mentioned, to the authoritative standard appropriate to the supplier's country. The said standards shall be the latest issued by the concerned institution immediately prior to the time.

EXAMPLE III	ADDITIONS	SOURCE
		Ex I 12.1.b ADB/I-ADB/WB
		Ex I 12.1.c+d A/CONF.97/18 Ex II 12.1.Op YDE Co.Ltd., Japan
		Ex I 12.1.e A/CONF.97/18
		Ex I 12.1.f Common law ("merchantable quality")
		Ex I 12.1.g ID/WG.400/2 Ex I 12.1.h A/CONF.97/18
		Ex I 2.2 ID/WG.400/2
		Ex II 2.2 ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
GUARANTEE N	(c) Within... days of the supplier's receipt of a notification under subparagraph 2.2.b of this ^{Clause} the supplier shall submit to the purchaser an estimate of the cost of the modifications, if any, which are required to be made to the products to enable them to conform with such altered rules and standards. In the said estimate the supplier will specify the dates upon which such modified products can be delivered. (d) The said modifications, if any, will not be carried out by the supplier save on the express authorization of the purchaser. (e) In the event of a disagreement between the parties regarding the amount of the estimate or the extension of the delivery dates, the purchaser shall have the option of cancelling that part of the order relating to the products requiring modification. (f) If the parties agree the amount of the estimates and the extension of the delivery dates these will substitute those specified in this contract and all the conditions and terms of this contract will apply thereto.	1. The supplier guarantees that the products will be and remain as warranted for a period of ... hours of operation or ... months ("the guarantee period") from the date of delivery of each product, which ever period first terminates.

13.1. The supplier guarantees that the products will be and remain as warranted for a period of... months ("the guarantee period") from the date of delivery of each product.

EXAMPLE III	ADDITIONS	SOURCE
	Should the purchaser cancel part or all of his order under this Clause, the purchaser shall pay to the supplier a sum equal to ... % of the order so cancelled.	Add. 12 Netherlands
		Ex I 13.1 ECE/574 Ex II 13.1. ADB/I-ADB/WB
	A fresh guarantee period equal to that here stated (subparagraph 1 of Clause 13) shall apply, under the same terms and conditions as those applicable to the original products, to parts or products repaired or supplied in replacement of defective parts or products and	Add. 13 ECE/574

HEADINGS	EXAMPLE I	EXAMPLE II
	2. The supplier undertakes to remedy any defect or non-conformity appearing in the products contrary to the warranties hereinbefore given during the guarantee period. 3. Where the purchaser wishes to avail himself of the guarantee, he shall notify the supplier in writing without delay of any defect which has appeared. On receipt of such notification the supplier shall, if the defect is one that is covered by this Clause, at his option: (a) repair the defective products on site, or (b) have the defective products or parts returned to him for repair, or (c) replace the defective products, or (d) replace the defective parts in order to enable the purchaser to carry out the necessary repairs at the supplier's expense. 4. The supplier shall bear all the expenses and costs arising out of and incidental to the implementation of this guarantee and shall bear the risk of any transport of the products and parts arising of or incidental to this guarantee. 5. If the supplier, having been notified, fails to remedy any defect or non-conformity in the products within a reasonable period, the purchaser may proceed to take such remedial action as may be necessary at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under this contract.	4. Unless otherwise agreed, the purchaser shall bear the costs and risks of transport of defective products and parts supplied in replacement of such defective products or parts between the place where the products are situated and the place where delivery of the products is to be effected under this contract.

EXAMPLE III	ADDITIONS	SOURCE
	to parts renewed in pursuance of this Clause. This provision shall not apply to the remaining products or parts thereof, the guarantee period of which shall be extended only by a period equal to the period during which such products are out of action as a result of a defect covered by this Clause.	Ex I 13.2 ECE/574
		Ex I 13.3 ECE/730
		Ex I 13.4 ID/WG.400/2 Ex II 13.4 ECE/574
		Ex I 13.5 ADB/I-ADB/WB + ECE/574

HEADINGS	EXAMPLE I	EXAMPLE II
	6. The said guarantee shall only apply to defects which appear under proper use. It does not cover defects due to causes arising after the risk in the products has passed. In particular, it does not cover defects arising from the purchaser's faulty maintenance, from alterations carried out without the supplier's consent in writing or from repairs carried out im properly by the purchaser save such repairs as may be carried out under this Clause. 7. The guarantee hereibefore given shall not be interpreted so as to limit the purchaser's remedies, either in time or scope of relief, in respect of any breach of warranty by the supplier. In particular, the supplier will remain liable in respect of any defect in the products or parts thereof rendering them unmerchantable which would not be apparent on a reasonable examination.	7. The supplier is liable in accordance with this contract for any lack of conformity which exists at the time when the risk passes to the purchaser, even though the lack of conformity becomes apparent only after that time. The supplier is also liable for any lack of conformity which occurs after the time indicated in the preceeding sentence and which is due to a breach of any of his obligations including a breach of the guarantee that for a period of time the products will remain fit for their ordinary purpose or for the particular purpose required by the purchaser and/or that the products will retain specified qualities or characteristics.

EXAMPLE III	ADDITIONS	SOURCE
7. Should a latent defect in the design, manufacture, materials, workmanship or assembly of the products or any part thereof become apparent, the purchaser may at any time, whether within or outside the guarantee period, require the supplier to remedy the defect in the products or products at his own expense whether on site or in his own factory. Should the supplier fail to remedy such a latent defect within ... days of his of notification thereof from chaser, the purchaser shall be entitled to terminate the contract in so far as it relates to those defective products and any products whose use is dependant on such defective products whereupon the supplier shall take back the said products in respect of which the contract is terminated at the price or prices paid and in addition, pay to the purchaser all the expenses, costs, duties and taxes paid by the purchaser in respect of such products.	The purchaser may, without prejudice to any remedy for breach of contract, by written notice of default sent to the supplier, terminate the contract in whole or in part if the supplier fails to perform his guarantee obligations under this contract and does not cure that default within ... days after receipt of the default notice from the purchaser.	Add. 13 ADB/I-ADB/WB
		Ex I 13.6 ID/WG.400/2 + ADB/I-ADB/WB
		Ex I 13.7 Common law ("latent defect") Ex II 13.7 A/CONF.97/18 Ex III 13.7 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II
PERFORMANCE SECURITY O	14.1. Within 30 days of the signing of this contract the supplier shall furnish performance security to the purchaser in the amount of ... 2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under this contract. 3. The performance security shall be denominated in the currency of the contract or in another freely convertible currency acceptable to the purchaser and shall be in one of the following terms: (a) A bank guarantee or irrevocable letter of credit, issued by a bank located in the purchaser's country or abroad acceptable to the purchaser and in the form acceptable to the purchaser. (b) A cashier's cheque, certified cheque, or cash. 4. The performance security will be discharged by the purchaser not later than 30 days following the date of completion of the supplier's performance of his obligations, including guarantee obligations, under this contract.	

EXAMPLE III	ADDITIONS	SOURCE
A latent defect shall, in this context, be taken to mean any defect in the design, manufacture, material, workmanship or assembly of a product or products which reduces or impedes the product's or products' performance, whether by immobilizing the product or products or rendering it or them less efficient, appearing several times in the same product or in several products of the same kind.	Nothing in this clause shall operate to limit the amount or amounts recoverable by the purchaser on a failure by the supplier to perform his obligations under this contract.	Ex I 14 ADB/I-ADB/WB Add. 14 ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
THIRD PARTY INDEMNITY R	15. The supplier shall indemnify the purchaser against all third party claims of infringement of patent, trademark or industrial design rights arising from use of the products or any part thereof in the purchaser's country.	1. The supplier shall indemnify and save harmless the purchaser in respect of any claim by third parties relating to industrial property rights in the goods. 2. The supplier shall indemnify and save harmless the supplier against any claim made by a user, third party or assign against the purchaser arising out of any damage resulting from a latent defect in the products or a product.
SPARE PARTS N	16. The supplier undertakes to sell and deliver to the purchaser all the necessary spare parts of the products during a period of ... years from the date of delivery of the products.	1. The supplier shall carry sufficient inventories to assure an ex-stock supply of consumable spares. Other spare parts and components shall be supplied as promptly as possible but in any case within six months of placement of an order and establishment of a Letter of Credit. 2. The supplier may be required to provide any or all of the following materials or notifications pertaining to spare parts manufactured or distributed by the supplier: (a) Such spare parts as the purchaser may elect to purchase from the supplier provided that this election shall not relieve the supplier of any warranty obligations under this contract, and (b) In the event of termination of the production of spare parts: - advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements, and - following such termination, furnishing, at no cost to the purchaser, the blue prints, drawings and specifications of the spare parts, if and when requested.
IMPORT AND EXPORT LICENCES AND TAXES 0	17.1. The supplier shall be entirely responsible for all taxes, stamp duties, licence fees and other such levies imposed outside the purchaser's country. The supplier shall ensure the fulfillment of the formalities and shall obtain the authorizations necessary for the export of the products to the purchaser's country.	

EXAMPLE III	ADDITIONS	SOURCE
		EX I 15 ADB/IADB/WB EX II 15 ID/WG.400/2
	The supplier undertakes to sell and deliver to the purchaser all the necessary spare parts of the products during the periods specified in Annex. as applicable to the various products from the date or dates of delivery. The said periods specified in Annex. of this contract represent the anticipated life expectancy of the individual products.	EX I 16 ID/WG.400/2 EX II 16 ADB/IADB/WB Add. 16 Netherlands
		EX I 17 ADB/I-ADB/WB + ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II
USE OF DOCUMENTS R	18.1. Any drawings or technical documents intended for use in the construction of the products or of any part thereof and submitted to the purchaser prior or subsequent to the formation of this contract remain the exclusive property of the supplier. They may not, without the supplier's consent, be utilized by the purchaser or copied, reproduced, transmitted or communicated to a third party. Provided, however, that the said plans and documents shall be the property of the purchaser:- (a) if it is expressly so agreed, or (b) if they are referable to a separate preliminary development contract on which no actual construction was to be performed and in which the property of the supplier was not reserved. 2. Any drawings or technical documents intended for use in the construction of the products or of part thereof and submitted to the supplier by the purchaser prior or subsequent to the formation of this contract remain the exclusive property of the purchaser. They may not, without his consent, be utilized by the supplier or copied, reproduced, transmitted or communicated to a third party.	
CHANGE ORDERS R	19.1. The purchaser may at any time, by a written order given to the supplier make changes within the general scope of the contract in any one or more of the following: (a) drawings, designs or specifications, where the products to be furnished under the contract are to be specifically manufactured for the purchaser, (b) the method of shipment or packing (c) the place of delivery, and (d) the services to be provided by the supplier. 2. If any such changes cause an increase or a decrease in the cost of, or the time required for, the supplier's performance of any part of the work under the contract, whether changed or not changed by the order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall accordingly be amended.	

EXAMPLE III

ADDITIONS

*SOURCE

EX I 18
ECE/574 +
ADB/I-ADB/WB

EX I 19
ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
ASSIGNMENT	R	Provided, however, that any claims by the supplier for an adjustment under this are asserted within thirty days from the date of receipt by the supplier of the purchaser's change order and that the same are accepted by the purchaser.
NOTICES	R	20. The supplier shall not assign, in whole or in part, his obligations to perform under this contract, except with the purchaser's prior written consent. 21. Any notice given by one party to the other pursuant to this contract shall be sent in writing or by telegram or telex cable and confirmed in writing to the address specified for that purpose in Annex . of this contract. A notice shall be effective when delivered or on the notice's effective date, which ever is later.
TERMINATION	N	22.1. <u>Termination for default of the supplier</u> The purchaser may, without prejudice to any other remedy for breach of contract but subject to the other terms of this contract, by written notice of default sent to the supplier, terminate this contract in whole or in part: (a) if the supplier fails to deliver any or all the products within the time periods specified in the contract or any extension thereof granted by the purchaser pursuant to Clause 8, (b) if the supplier fails to perform any other obligations under the contract, or (c) if the supplier, in either of the above circumstances, does not cure his failure within a period of thirty days (or such longer period as the purchaser may authorize in writing) after receipt of the default notice from the purchaser. <u>Termination for default of the supplier</u> The purchaser may terminate the contract in whole or in part by notice in writing to the supplier should the supplier fail to deliver products within the time periods specified in this contract or any extension thereof granted by the purchaser pursuant to Clause 8 hereof. The said termination will apply, at the election of the purchaser, to the products undelivered and the products which, although delivered, cannot be properly used without the undelivered goods. Where the purchaser so terminates the contract he shall be entitled to recover any payment which he has made, both in respect of all the products undelivered and in respect of the products which, although delivered, cannot be properly used without the undelivered products, to reject the products delivered which are unusable and to recover any expenses properly incurred in performing the contract in respect of such products.

EXAMPLE III	ADDITIONS	SOURCE
		EX I 20 ADB/I-ADB/WB
		EX I 21 ADB/I-ADB/WB
		EX I 22.1, 2 + 3 AD3/I-ADB/WB EX II 22 ECE/574

HEADINGS	EXAMPLE I	EXAMPLE II
	In the event that the purchaser terminates the contract in whole or in part pursuant to this subparagraph, the purchaser may procure, upon such terms and in such manner as he deems appropriate, products similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs of such similar products. However, the supplier shall continue performance of the contract to the extent it is not terminated. 2. <u>Termination for insolvency by the purchaser</u> The purchaser may at any time terminate the contract by giving written notice to the supplier, without compensation to the supplier, if the supplier becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser. 3. <u>Termination for the purchaser's convenience</u> The purchaser may, by written notice sent to the supplier, terminate the contract, in whole or in part, at any time for his convenience. The notice of termination shall specify that termination is for the purchaser's convenience, the extent to which work under the contract is terminated, and the date upon which such termination becomes effective. The products that are complete and ready for shipment within thirty days after the supplier's receipt of notice of termination shall be purchased by the purchaser at the contract terms and prices. For the remaining products, the purchaser may elect: (a) to have any portion completed and delivered at the contract terms and prices and/or, (b) to cancel the remainder and pay to the supplier an agreed amount for partially completed products and for materials and parts previously procured by the supplier.	

HEADINGS	EXAMPLE I	EXAMPLE II
	4. <u>Termination by the supplier</u> The supplier may terminate this contract or part thereof by giving notice in writing to the purchaser should the purchaser fail to accept delivery of products within a reasonable time of their being ready for delivery. Such termination shall only apply to those products of which the purchaser fails to accept delivery. Upon such termination the supplier will be entitled to recover from the purchaser any loss suffered by reason of the purchaser's said failure up to an amount equal to that part of the price payable under the contract which is properly attributable to such a portion of the products.	
RIGHTS AT TERMINATION N	23. Termination of the contract, from whatever cause arising, shall be without prejudice to the rights of the parties accrued under this contract.	
FORCE MAJEURE N	24.1. Any circumstances beyond the control of the parties intervening after the formation of the contract and impeding its reasonable performance shall be considered as cases of relief. For the purposes of this Clause circumstances not due to the fault of the party invoking them shall be deemed beyond the control of the parties.	1. Notwithstanding the provisions of Clauses 8 and 22 the supplier shall not be liable for forfeiture of his performance security, if any has been given, liquidated damages or termination for default, if and to the extent that his delay in performance or other failure to perform his obligations under the contract is a result of an event of force majeure.

EXAMPLE III	ADDITIONS	SOURCE
		EX I 22.4 ECE/574
	<u>Termination by the supplier</u> The supplier may terminate the contract or part thereof by notice in writing to the purchaser should the purchaser fail to pay for the products or any part thereof within the time periods specified in this contract or any extension thereof granted by the supplier pursuant to Clause 11 thereof. Where the supplier so terminates this contract he shall be entitled to recover any payment due in respect of delivered products and all expenses properly incurred by him in the performance of the contract.	Add. 22 ECE/574
		EX I 23 ECE/574
		EX I 24 ECE/574/730 EX II 24 ADB/I-ADB/WB

HEADINGS	EXAMPLE I	EXAMPLE II
LIMITATION OF DAMAGES 0	2. The party wishing to claim relief by reason of any of the said circumstances shall notify the other party in writing without delay of the intervention and on the cessation thereof. 3. Where by reason of any of the circumstances referred to at subparagraph 1 of this Clause the performance of the contract within a reasonable time becomes impossible, either party shall be entitled to terminate the contract by notice in writing to the other party and in that event there shall be such restitution, if any, whether by way of repayment of money, return of goods or otherwise as shall be just and as the circumstances referred to at subparagraph 1 of this Clause may permit. 25.1. Damages for breach of contract by one party shall consist of a sum equal to the loss, including loss of profit, suffered by the other party as a consequence of the breach. Such damages may not exceed the loss which the party in breach foresaw or ought to have foreseen at the time of the conclusion of the contract, in the light of the facts and matters which he then knew or ought to have known, as a possible consequence of the breach of contract. 2. The party who sets up a breach of the contract shall be under a duty to take all necessary measures to mitigate the loss which has occurred provided that he can do so without unreasonable inconvenience or cost. Should he to do so, the party guilty of the breach may claim a reduction in the damages.	2. For the purposes of this Clause "force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence. Such events may include but are not restricted to, acts of the purchaser, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes. 3. If a force majeure situation arises the supplier shall promptly notify the purchaser in writing of such a condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform his obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means of performance not prevented by force majeure.

EXAMPLE III	ADDITIONS	SOURCE
	If the party's failure is due to the failure of a third party whom he has engaged to perform the whole or part of the contract, that party shall be exempt from liability only if: (a) he is exempt under subparagraph 1 of this Clause, and (b) the person whom he engaged would be so exempt if the provisions of that subparagraph were applied to him.	Add. 24 A/CONF.97/18 EX I 29.1 A/CONF.97/18 EX I 25.2 ECE/574

HEADINGS	EXAMPLE I	EXAMPLE II
RESOLUTION OF DISPUTES R	26.1. The purchaser and the supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with this contract. 2. If, after thirty days from the commencement of such informal negotiations, the purchaser and the supplier have been unable to resolve amicably a contract dispute, either party may require that the dispute be referred for resolution to arbitration in accordance with the UNCITRAL Arbitration Rules.	Any dispute arising out of or in connection with the contract, which the parties have been unable to settle by agreement shall be settled finally out of court by arbitration by the arbitral body specified in Annex ... of this contract.
APPLICABLE LAW N	27. This contract shall be governed by and be interpreted in accordance with the laws of the purchaser's country.	27. This contract shall, so far as is permissible by the law of the country in which delivery of the goods is to be made, be governed by the law of the supplier's country.
STATEMENT OF INTENT O	28.1. The supplier undertakes to assist the purchaser in the local manufacture of the products, assemblies, sub-assemblies and parts the subject matter of this contract on its termination if so requested by the purchaser. 2. In particular, the supplier undertakes to carry out, at the request and cost of the purchaser, according to arrangements to be agreed upon, studies, analyses or research capable of assisting the purchaser: - in ascertaining the present and future needs of the local market, - in ascertaining the structure of existing stocks of equipment covered by this contract which are in use in the purchaser's country, - in evaluating industrial projects for the local manufacture of the equipment covered by this contract. 3. The supplier undertakes, moreover, to assign to the purchaser at the latter's request, according to arrangements to be agreed - a licence for the manufacture of the equipment covered by this contract, - know-how to enable such manufacture, - technical documentation necessary for such manufacture.	

EXAMPLE III	ADDITIONS	SOURCE
		EX I 26 ECE/574 EX II 26 ADB/I-ADB/WB EX I 27 ADB/I-ADB/WB EX II 27 ECE/574 EX I 28 ID/WG.400/2

HEADINGS	EXAMPLE I	EXAMPLE II
	4. Furthermore, the supplier undertakes to collaborate closely with the purchaser in any projects for the local manufacture of the equipment covered by this contract, in particular, to give assistance in the construction and start-up of industrial installation , as well as in the training of staff. 5. The supplier undertakes to permit the purchaser to produce spare parts of the supplier's design by granting the purchaser a non-exclusive licence to manufacture them.	

EXAMPLE III	ADDITIONS	SOURCE

SOURCES:

ID/WG.400/2	Items to be included in Model Contracts for the Import, Assembly and Manufacture of Agricultural Equipment, Including Training; Model Licensing Agreement. UNIDO, 21 July 1983
ADB/I-ADB/WB	Sample Bidding Documents/Procurement of Goods. Asian Development Bank, Inter-American Development Bank, The World Bank, September 1983.
YDE/Co.Ltd., Japan	Opinion of Specialists from Japan submitted through Yanmar Diesel Engine Co. 15 February 1984
ECE/574	General Conditions for the Supply of Plant and Machinery for Export UN/ECE, December 1955
Netherlands	Opinion of Specialists from the Netherlands submitted through the Permanent Mission of the Kingdom of the Netherlands to the Kingdom of the Netherlands to the United Nations (Vienna) 22 February 1984
ECE/730	General Conditions of Sale for the Import and Export of Durable Consumer Goods and of Other Engineering Stock Articles, No. 730 UN/ECE March 1961
A/CONF.97/18	Final Act of the United Nations Conference on Contracts for the International Sale of Goods. UN General Assembly, 10 April 1980.

Clause	Heading	Status
1	Definitions	R
2	Substantive Transaction	N
3	Inspections and Tests	N
4	Packing	R
5	Assembly	N
6	Technical Documentation and Tool Kits	R
7	Dispatch, Transport and Delivery	N
8	Delays in Delivery	O
9	Delays in the Purchaser's Acceptance of Delivery	
10	Verification of Apparent Conformity	R
11	Prices and Payment	N
12	Warranties	N
13	Guarantee	O
14	Performance Security	O
15	Third Party Indemnity	R
16	Spare Parts	N
17	Import and Export Licenses and Taxes	O
18	Use of Documents	R
19	Change Orders	R
20	Assignment	R
21	Notices	R
22	Termination	N
23	Rights at Termination	N
24	Force Majeure	R
25	Limitation of Damages	R
26	Resolution of Disputes	R
27	Applicable Law	N
28	Statement of Intent	O

Supp. of Goods

THIS AGREEMENT is made BETWEEN _____ of _____ (herein-
after called "the purchaser") and _____ of _____ (hereinafter
called "the supplier") this _____ day of _____

WHEREAS:

1. The purchaser is desirous of acquiring certain items of agricultural machinery and is considering initiating the assembly and/or manufacture of agricultural machinery in his/her own country.

2. The supplier has, for a considerable number of years, manufactured agricultural machinery and possesses the expertise and technical information necessary to design agricultural equipment to suit varying climatic and soil conditions.

3. The supplier is willing to supply the purchaser with agricultural machinery and, if so later agreed, to inform the purchaser of all the technology, assign all the know how and license the assembly and/or manufacture by the purchase. of the agricultural machinery manufactured by him/her.

4. The supplier is aware that the purchaser has available to him/her in his/her own country farless expertise, knowledge, information or technology in the business of purchasing agricultural machinery than has the supplier and the supplier is mindful that the consummation of this agreement is intended to aid and be in the interest of the industrial trade and economic development of the purchaser's country.

Now, in CONSIDERATION of the premises and of the mutual covenants and conditions herein contained, the parties hereto have agreed and do by these presents agree as follows:

(Supply of Goods)